

TABLE 15. UNAUTHORIZED SUBSTANCE TAXES COLLECTIONS  
[G.S. 105 ARTICLE 2D.]

Fiscal year	Gross tax collections [\$]	Refunds [\$]	Net collections before transfers [\$]	Distributions and Transfers					
				Administrative costs [\$]	Collection fees on overdue tax debts [\$]	OSBM Civil Penalty & Forfeiture Fund [\$]	State Unauthorized Substances Tax Account [\$]	Unencumbered proceeds	
								State & local law enforcement agencies [\$]	General Fund non-tax revenue [\$]
1991-92....	5,102,901	53,929	5,048,972	-	-	-	3,236,305	1,812,667	-
1992-93....	6,235,697	205,957	6,029,740	641	-	-	937,792	3,368,312	1,722,995
1993-94....	5,831,408	230,919	5,600,489	22,677	-	-	(390,221)	4,492,936	1,475,098
1994-95....	5,735,003	410,229	5,324,774	11,453	-	-	90,431	3,927,022	1,295,868
1995-96....	6,021,424	299,822	5,721,602	26,515	-	-	1,617,757	3,064,273	1,013,057
1996-97....	6,674,155	313,541	6,360,614	10,665	-	-	(377,102)	5,057,843	1,669,208
1997-98....	4,713,135	339,347	4,373,788	-	-	-	(2,596,403)	5,271,237	1,698,954
1998-99....	1,914,344	235,922	1,678,422	-	-	-	(1,039,600)	2,092,280	625,743
1999-00....	5,045,859	331,607	4,714,252	-	-	-	1,492,143	2,415,816	806,293
2000-01....	6,406,420	208,847	6,197,572	145,478	-	-	(342,145)	4,798,179	1,596,060
2001-02....	8,205,269	208,777	7,996,492	208,285	79,385	-	719,199	5,243,184	1,746,439
2002-03....	9,024,184	193,982	8,830,203	223,371	181,525	-	(1,345,116)	7,327,354	2,443,067
2003-04....	8,468,185	279,351	8,188,835	230,033	288,232	-	412,545	5,556,584	1,701,441
2004-05....	9,349,534	261,945	9,087,588	193,980	299,208	-	(673,034)	6,741,211	2,526,223
2005-06....	11,532,085	204,435	11,327,650	208,728	576,250	811,424	3,760,549	4,697,222	1,273,478

[The General Fund non-tax revenue represents the unencumbered tax proceeds collected by assessment not required to be paid to State and local law enforcement agencies.]

Detail may not add to totals due to rounding.

**Unauthorized substance tax rates and bases:**

The excise tax levied under Article 2D is to generate revenue for State and local law enforcement agencies and for the General Fund. The tax was first imposed effective January 1, 1990.

Unauthorized substance	Rate	Minimum Quantity Before Tax is Due
Marijuana stems & stalks that have been separated from the plant	\$0.40 for each gram or fraction thereof	More than 42.5 grams
Marijuana <i>other</i> than separated stems and stalks	\$3.50 for each gram or fraction thereof	More than 42.5 grams
Cocaine	\$50.00 for each gram or fraction thereof	7 or more grams
Any other controlled substance that is sold by weight	\$200.00 for each gram or fraction thereof	7 or more grams
Any other controlled substance that is <i>not</i> sold by weight	\$200.00 for each 10 dosage units or fraction thereof	10 dosage units
Any low-street-value drug that is not sold by weight	\$50.00 for each 10 dosage units or fraction thereof	10 dosage units
Illicit spirituous liquor sold by the drink	\$31.70 for each gallon or fraction thereof	No minimum
Illicit spirituous liquor <i>not</i> sold by the drink	\$12.80 for each gallon or fraction thereof	No minimum
Mash	\$1.28 per gallon or fraction thereof	No minimum
Illicit mixed beverages	\$20.00 on each 4 liters and a proportional sum on lesser quantities	No minimum

When the tax was first imposed, the \$50 rate applicable to cocaine was \$200 per gram, and the \$200 rate applicable to drugs sold by dosage units was \$400. In *Lynn v. West*, the 4th U.S. Circuit Court of Appeals found the tax to be a criminal penalty; as a result, the rates were reduced effective October 31, 1998.

The statute specifies that the refund of a tax that has already been distributed is to first be drawn from the State Unauthorized Substances Tax Account. The amount of any refunded taxes that had been credited to the General Fund is to be subtracted from succeeding credits to the General Fund.

